

Circular

Istanbul, 28 October 2020

Circular No: 105

Subject: Reminders about the “Valuable Housing Tax” obligation to start as of the beginning of 2021.

General explanation on the "Valuable Housing Tax" introduced by Law no. 7194 and subsequently underwent some changes through the Law no.7221 are presented to your attention below.

- Residential properties within the borders of Turkey that have a building tax value of more than TL 5 million are subject to valuable housing tax.
- The obligation for valuable housing tax will start from the beginning of 2021. In this context, the valuable housing tax return will be submitted for the first time in 2021 (until 20 February 2021) to the authorized tax office in the place where the property is located.
- The tax levied and accrued by the tax office will be paid in two equal instalments until the end of February and August of the relevant year.
- The tax on the houses covered by the valuable housing tax will be calculated according to the tariff indicated below:

Value	Tax rate
Those between TL 5.000.000 and TL 7.500.000 (including this amount) for the part exceeding TL 5.000.000	3 per thousand
Those up to 10.000.000 TL (including this amount) 7.500 TL for 7.500.000 TL, for more	6 per thousand
Those over TL 10.000.000, TL 22.500 for 10.000.000 TL, for more	10 per thousand

- Regardless of having an income or being retired, the ones owning a single residential property within the borders of Turkey will not pay the valuable housing tax whatever the value of this property is.
- Those who have more than one residential property will not pay tax on their single property with the lowest value which is subject to the valuable housing tax.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,
KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.